

# Rethinking Finance: New Perspectives on the Crisis

Russell Sage Foundation & The Century Foundation

April 13, 2012

The Princeton Club of New York

## Session One: Rethinking Market Efficiency

10:00 – 11:00

Moderator: Robert Solow

The Efficient-Market Hypothesis and the Financial Crisis

Burton G. Malkiel, *Princeton University*

Behavioral Finance in the Financial Crisis: Market Efficiency, Minsky, and Keynes

Hersh Shefrin, *Santa Clara University* and Meir Statman, *Santa Clara University*

Why Did So Many People Make So Many Ex Post Bad Decisions: The Causes of the Foreclosure Crisis

Paul Willen, *Federal Reserve Bank of Boston*

## Session Two: Rethinking Financial Innovation

11:15-12:15

Moderator: Alan Blinder

Ratings, Mortgage Securitizations and the Apparent Creation of Value

John Hull, *University of Toronto* and Alan White, *University of Toronto*

The Role of ABS, CDS and CDOs in the Credit Crisis and the Economy

Robert A. Jarrow, *Cornell University*

Finance vs. Wal-Mart: Why are Financial Services so Expensive?

Thomas Philippon, *New York University*

## Lunch: 12:30 – 2:00

Keynote Speaker: Ben S. Bernanke, Chairman of the Board of Governors of the Federal Reserve System

## Session 3: Rethinking Financial Regulation

2:15- 3:15

Moderator: Andrew Lo

Shadow Finance

Patrick Bolton, *Columbia University*, Tano Santos, *Columbia University* and Jose Scheinkman, *Princeton University*

The Political Economy of Financial Regulation after the Crisis  
Robert E. Litan, *The Ewing Marion Kauffman Foundation*

Pay, Politics and the Financial Crisis  
Kevin J. Murphy, *University of Southern California*

**Session Four: Rethinking Macroeconomics and Finance**

**3:30- 4:30**

Moderator: Alan Blinder

This Time, It Is Different: Cutting Edge Macro Finance from the 1870s for the 2010s  
J. Bradford DeLong, *University of California, Berkeley*

Credit Supply Shocks and Macroeconomic Activity in a Financial Accelerator Model  
Simon Gilchrist, *Boston University*